

# STATE OF VERMONT



## REQUEST FOR PROPOSALS FOR A FISCAL AGENT

# STATE OF VERMONT REQUEST FOR PROPOSALS

## **FISCAL AGENT**

RFP RELEASED ON September 30, 2005

PROPOSAL DUE DATE: October 24, 2005, 2 pm

PUBLIC BID OPENING: October 25, 2005, 2 pm

PUBLIC COMMENTS ON PROPOSALS DUE DATE: November 1, 2005

**This RFP is issued by:**

**The State of Vermont  
Public Service Board**

**Proposals must be delivered to:  
Cynthia Muir, Business Manager  
Vermont Public Service Board  
112 State Street, Drawer 20  
Montpelier, VT 05620-2701**

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## I. INTRODUCTION

### A. Purpose of this Request for Proposal

The State of Vermont Public Service Board ("PSB" or "the Board") is releasing this Request for Proposals ("RFP") to solicit responses from parties interested in providing the services of a Fiscal Agent ("FA").

The primary role of the FA will be to serve as the fiscal agent for the funds collected via a wires charge, known as the Energy Efficiency Charge, that the Board has created pursuant to 30 V.S.A. § 209(d)(3). This will be a fiduciary relationship in which the FA will receive, distribute and account for funds. The monies collected from electric ratepayers through the Energy Efficiency Charge will fund energy efficiency programs to be delivered by the Vermont Energy Efficiency Utility ("EEU"), an independent contractor hired by the Public Service Board to design, develop and implement energy efficiency programs throughout the State of Vermont.<sup>1</sup> The FA will be required to provide the Board with financial statements and accounting reports for the funds collected via the wires charge on a monthly and annual basis.

The Fiscal Agent must be an individual or firm that is not affiliated with the EEU, Vermont electric or gas utilities, another agency of the State of Vermont, or any entity providing power to Vermont's distribution utilities. Bidder qualifications should include experience in the management of multimillion dollar budgets, fund accounting and reconciliation processes.

### B. Organizational Structure

The **Vermont Public Service Board** is a quasi-judicial body responsible for guiding the development of state utility policies that best serve the long-term interest of Vermont utility ratepayers with the goal of the provision of high quality public utility service in Vermont at "the lowest present value life cycle cost, including environmental and economic costs."<sup>2</sup> The Board is also responsible for supervising the rates, quality of service and overall financial management of all Vermont utilities. The Board will select the entity to serve as the EEU, which will be under direct contract to the Board pursuant to 30 V.S.A. §§ 209(d) and (e). In addition to the Fiscal Agent, the Board also selects another independent contractor to serve as Contract Administrator ("CA") to assist it with the management of the EEU's contract (see below for more detail).

The **EEU** is an independent contractor under contract to the Public Service Board, responsible for delivering energy efficiency services statewide. In addition to these responsibilities, the EEU must provide ongoing redesign and modification of these services and propose new services for possible approval by the Board. The EEU must also interact with members of the public and numerous other organizations including State Agencies, the Vermont electric utilities (variously referred to as "electric utilities," "distribution utilities," and "DUs"), the Vermont Legislature, and national, regional, and local energy efficiency organizations.

The **Fiscal Agent** ("FA") (see ¶ 5.c of the Memorandum of Understanding in Docket 5980 ("MOU") which is **Appendix A** to this RFP) is an independent contractor to the Board who assists the Board with the financial management of the EEU. The primary responsibility of the FA is to receive funds for the EEU from utilities and to disburse them under direction from the Board. The Fiscal Agent is responsible for keeping accurate accounts of such transactions, and for tracking the funding for the EEU, but does not have the authority to bind the discretionary authority of the Board. The FA reports directly to the Board and

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1. Earlier this year, the Board issued a new RFP for a contractor to serve as the EEU for a three-year period beginning on January 1, 2006. The Board is currently in negotiations with the bidder selected as a result of that RFP.

2. 30 V.S.A. § 218c.

provides the Board with monthly and annual financial statements and accounting reports.

The **Contract Administrator** ("CA") (see MOU ¶ 5.b), is an independent contractor to the Board who assists the Board with the administration of the contract with the EEU. The current CA is Michael Wickenden; his contract with the Board extends through December 31, 2005, and the Board has reserved the opportunity to renew his contract through December 31, 2008. Among other items, the CA: (1) reviews the EEU's compliance with the terms of its contract with the Board; (2) reviews and approves EEU monthly invoices; (3) reviews monthly, quarterly, and annual reports by the EEU and the Fiscal Agent; (4) acts as a mediator regarding disputes and/or complaints about the EEU; and (5) maintains regular communication with the EEU and the FA.

The **Vermont Department of Public Service** ("Department" or "DPS") is an executive branch agency of the State, responsible for energy planning and public advocacy. It appears as the public advocate in proceedings before the Board. It has been involved in the proposal of energy efficiency policy, advocacy for energy efficiency programs, and review of the energy efficiency program performance of Vermont utilities. The DPS also conducts ongoing market characterization activities and formal evaluation of the EEU's services and performance.

### **C. Project History/Background**

In April 1999, the Vermont Department of Public Service, along with Vermont's electric utilities, reached an agreement to contract with a single provider, the EEU, for the implementation and administration of a set of seven "core" statewide energy efficiency programs (also known as Demand-Side Management or "DSM" programs). This agreement, the Memorandum of Understanding or "MOU," in Docket No. 5980, is included as **Appendix A**. As the Board has approved the MOU in its entirety, the MOU will provide bidders with substantial information regarding the EEU and the Fiscal Agent, their expected responsibilities, and relationships with the Public Service Board, the Contract Administrator, the Department of Public Service, and Vermont electric utilities.

The Board has authorized the City of Burlington Electric Department ("BED") to deliver most of the EEU services in its service territory; bidders may assume that this arrangement will continue throughout the term of the contract.

### **D. Recent Legislative Changes**

In July 2005, Vermont enacted new legislation that will affect the EEU program (Act 61). This new legislation: (1) removes the statutory cap on the EEU program budget, and establishes new criteria the Board must consider when establishing the EEU program budget; (2) authorizes the Board to develop a combined heat and power program as an energy efficiency program; and (3) requires the Board to develop a mechanism under which customers could apply for an exemption from paying some or all of the Energy Efficiency Charge. The Board is currently considering how to implement the EEU-related elements of Act 61.

Bidders should be aware that implementation of this new legislation may affect the FA's responsibilities. For example, the creation of a mechanism under which customers could apply for an exemption from paying some or all of the Energy Efficiency Charge may affect the design of remittance forms used by the utilities when submitting their Energy Efficiency Charge payments to the FA.

The Board will require that any contract it signs with the selected bidder allow for potential modifications to the scope of work to reflect decisions made by the Board when it implements Act 61.

## **E. Bidder Requirements**

The following requirements are mandatory and are provided to assist bidders in their decisions to respond to this RFP.

- Upon selection, bidders must become independent of any Vermont electric or gas utility, any state agency, any entity providing power to Vermont's distribution utilities, or any entity that may work under contract to the EEU. (See MOU, Page 4, ¶ 5.a.)
- The contract resulting from this Request for Proposals will adhere to the State of Vermont's Customary State Contract Provisions provided in **Appendix B**, except that, due to the FA's financial responsibilities, the Board is requiring the selected bidder to provide employee dishonesty insurance in addition to the other types of insurance specified in Bulletin 3.5. This employee dishonesty insurance must not exclude principals. Upon the completion of contract execution with the Board, the bidder must acquire this insurance coverage in the amount of at least **\$1,000,000.00** and must provide a copy of the insurance certificate to the State.
- Bidders must commit to a contract with the State of Vermont from the time of selection through December 31, 2008. Bidders must commit to being available on a "first priority" basis for at least 8 hours per month.
- Bidders must have strong fiscal management skills and a thorough understanding of the expected duties.
- Bidders must have experience performing general accounting duties including tracking receivables and payables, and auditing and reconciling accounts.
- Bidders must have expertise with Windows operating systems and the capability to store financial records pertaining to the EEU using Windows-based accounting software. A secure backup system is also required.
- The selected bidder must provide its own equipment, software, office space and materials for this project.

## II. FISCAL AGENT DUTIES

The Fiscal Agent's primary responsibility will be to serve as the fiscal agent for funds collected via the Energy Efficiency Charge. The FA will report directly to the Public Service Board and will manage these funds under the direction of the Board. In addition, the Fiscal Agent will be responsible for the duties outlined below.

### A. Collect Funds from Vermont Electric Utilities

The FA will be directly responsible for collecting the Energy Efficiency Charge and other funds from the twenty-one Vermont electric distribution utilities, including taking reasonable steps to ensure that the utilities remit payments completely and on a timely basis.<sup>3</sup> The FA shall: (1) determine delinquencies; and (2) in the event of an appeal to the Board, provide the utility and the Board with a written summary of the findings and conclusions that led to the delinquency notice.

It may be helpful for bidders to understand how the electric distribution utilities bill the Energy Efficiency Charge to their customers, which is the same amount that they remit to the FA. This is explained in considerable detail in Public Service Board Rule 5.300, which is included as **Appendix C** to this RFP.<sup>4</sup>

### B. Manage Funds

The FA will be responsible for investing cash resources collected from the utilities in (1) an FDIC-insured bank account, provided that the balance in that account will not exceed the insurance limit of \$100,000; or (2) secure short-term investments designed to maximize security, liquidity, and yield, in that order.

**Note:** Bidders' proposals must describe their plans for investing cash resources in bank accounts and other short-term investments.

The FA will accumulate and store data reported by utilities, including revenue data and service information, in a database. The FA will analyze the database to compare current reported data to previously reported data. The FA will make appropriate inquiries of utilities that file returns with unexpected increases or decreases in contributions. The FA will assist utilities with reconciliation of any data entry errors in financial reporting records.

### C. Disburse Funds

The FA will be responsible for disbursing the funds under its control to the EEU, the City of Burlington Electric Department, other distribution utilities, the DPS, newspapers (for advertising Energy Efficiency Charge rates), the independent auditor of the EEU Fund, the Contract Administrator, the home weatherization assistance trust fund, the gross receipts tax fund, and the FA itself. Disbursements will be made once each month.

Disbursements to the EEU, the City of Burlington Electric Department, other distribution utilities, the DPS,

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3. Payments from utilities are expected to vary from month to month. The last 12 monthly total contributions from Vermont's twenty-one (21) electric utilities combined have ranged from \$1,008,863 to \$1,607,240. Future monthly totals will fluctuate depending upon any adjustments to the Energy Efficiency Utility program budget.

4. It is not expected that bidders understand the technical methodology for calculating the specific Energy Efficiency Charge rates that is set forth in Rule 5.300. As explained in that Rule, the Board will determine those rates. Rather, it is likely that a general understanding of how the Energy Efficiency Charge is billed and the terms governing the payment of the Energy Efficiency Charge by utilities to the FA will be helpful.



newspapers, and the independent auditor of the EEU Fund will be made only after written approval by the Contract Administrator. Disbursements to the Contract Administrator will be made only after written approval by the Board chairman or Board staff designated by the chairman. The dollar amount of disbursements to the home weatherization assistance trust fund will be determined in accordance with 33 V.S.A. § 2503. The dollar amount of disbursements to the gross receipts tax fund will be determined in accordance with 30 V.S.A. § 22. The FA's contract with the Board will specify the necessary documentation and procedures for monthly transfers to the FA's proprietary accounts as compensation for work performed under its contract.

When cash is not sufficient to meet requests for disbursements, the FA will issue pro-rata payments or proportionate payments. The FA will have no responsibility to locate a line of credit or otherwise obtain borrowed funds. The FA will have no responsibility to offer its own credit or property as collateral for a loan.

#### **D. Track Annual Fund Receipts and Disbursements**

The Fiscal Agent must track annual receipts and disbursements of wires charges and other related funds utilizing standard fund accounting practices. The FA's accounting system shall allocate disbursements among several categories including core efficiency services (separating out the services delivered by the EEU from those delivered by the City of Burlington Electric Department), administrative costs (separating out the EEU's general administration, information technology, the DPS's monitoring and evaluation, external audit fees, the Contract Administrator, and the Fiscal Agent), weatherization taxes, and gross receipts taxes. The FA will be expected to monitor receipts and disbursements compared to monthly and annual projected amounts by tracking accounts receivable and payable as well as the funds spent in each category described above.

#### **E. Reporting Requirements**

The FA will be required to let the Board know of any significant financial problems as soon as they arise.

The FA must provide the Board and the EEU with monthly and annual reports on the funds under its control. Monthly status reports shall show receipts and disbursements for the previous month, as well as a breakdown of disbursements by the categories outlined in **Section II.D**, and the remaining budgeted amount for each category. Monthly reports will also show: (1) cumulative receipts, by distribution utility, for the fiscal year; (2) cumulative receipts in the fiscal year, compared to budget; (3) cumulative disbursements in the fiscal year, compared to budget; (4) current fund balance; (5) budgeted receipts for the current fiscal year; (6) budgeted disbursements for the current fiscal year; and (7) a schedule of net assets that shows the fund's liabilities, including funding set-asides. A sample monthly report including the information the FA must provide the Board is included as **Appendix D**.

Annual reports shall detail receipts and disbursements for the previous calendar year, compare actuals with budgeted amounts, and include any additional information that will assist the Board in its oversight of the Fiscal Agent's management of the Energy Efficiency Charge funds.

In addition, in September of each year, the FA must provide the Board, the Contract Administrator, and the DPS with a report including (1) distribution utility contributions by contribution rate class for the preceding Energy Efficiency Charge year, and (2) the current Energy Efficiency Charge receipts to date.

#### **F. Independent Audit**

The FA will retain an independent accountant to audit its financial reports for each year of operations.<sup>5</sup> This audit will be provided to the Board, the DPS, the Vermont Auditor of Accounts, and will be made available to the EEU and the distribution utilities upon request.

#### **G. Manage Customer-Specific and Competitively Sensitive Information**

The FA must develop and maintain systems that provide appropriate protections in the collection, processing, storage and retrieval of information that is customer-specific or could provide an unfair competitive advantage to an entity delivering electricity or services outside of the energy efficiency programs approved by the Board for EEU implementation. The FA will be responsible for managing such systems and, when appropriate, providing the information to its employees as well as to regulators, the Contract Administrator and distribution utilities. Accordingly, the FA must develop and maintain a process with clearly defined standards and safeguards to govern sharing of that information with distribution utilities to ensure customer confidentiality is maintained and entities are not provided an unfair competitive advantage.

#### **H. Coordination with Contract Administrator**

The FA will coordinate with the Contract Administrator on an as-needed basis. This will include: (1) responding to the Contract Administrator's requests for information, such as information regarding kWh and kW sales, and rate class revenue reported by Vermont electric distribution utilities to the FA; (2) coordinating regarding the development of new annual distribution utility contribution forms, monthly cash disbursement dates, and possible interim Energy Efficiency Charge rate changes; (3) communicating regarding the selection of the independent auditor, annual independent audit data requests, and necessary coordination with the Vermont Auditor of Accounts; and (4) asking the Contract Administrator for assistance in resolving disputes.

#### **I. Additional Responsibilities**

In addition to the above-mentioned tasks, the Fiscal Agent will be expected to perform several other accounting duties. These duties include, but are not limited to, those listed below:

- Provide current financial statements and account reports at the request of the Board or the Contract Administrator;
- Provide full historical fund reports at the request of the Board or the Contract Administrator;
- Keep a general ledger and up-to-date spreadsheets on projected and actual collections and disbursements;
- Perform bank reconciliations for the wires charge accounts; and
- Provide procedures to handle adjustments, voids, full and partial credits for all accounts.

#### **J. Meeting in Montpelier, Vermont**

The FA will be expected to meet with representatives of the Board and the Contract Administrator in Montpelier, Vermont once during the three-year term of the contract.<sup>6</sup>

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5. Estimates of the amounts to be paid to independent auditors should not be included in bidders' proposals. See **Section III.G.**

6. Labor and travel costs associated with this meeting should be included in bidders' proposals. See **Section III.G.**

#### **K. Contract Terms**

The contract with the FA is expected to begin January 1, 2006, and will last through December 31, 2008, with the Board reserving the option to renew the contract for an additional three years.

The Board reserves the right to cancel this contract with thirty days' notice to the Fiscal Agent. The Fiscal Agent may cancel its contract with the Board with ninety days' notice to the Board. In the event the Board chooses to contract with another bidder to provide the services of the FA at the end of this contract term or upon cancellation of the contract, or in the event that the FA chooses not to renew after the expiration of the three-year contract or elects to exercise its option to cancel the contract, the existing FA must provide reasonable transition assistance to the Board at reasonable rates of compensation. Under no circumstances will the existing FA have any right to compensation for investments or other expenditures that were undertaken pursuant to, or in anticipation of, the extension of the contract.

#### **L. Property Owned by the State**

All products of the FA's work, including outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, databases, distribution utility contribution sheets, or similar documents or records will be the sole property of the State of Vermont and may not be copyrighted or resold by the contractor. Any equipment purchased by or furnished to the Contractor by the State under this contract is provided on a loan basis only and remains the property of the State.

### III. PROPOSAL RESPONSE FORMAT

Bidders are asked to submit one original and six paper copies, and one electronic copy,<sup>7</sup> of their proposals in the following format:

- Transmittal Letter
- Project Approach
- Related Experience
- Staff Qualifications
- References
- Business Organization and Staffing
- Cost Proposal

Proposals should provide a straightforward description of the bidder's capabilities in performing the duties included in this RFP.

#### A. Transmittal Letter

To be considered, bidder proposals must be accompanied by a transmittal letter signed in ink by a person authorized to bind the bidder in the proposal offerings (refer to **Section 12**). The letter must include a statement that the bidder accepts the standard State of Vermont contract provisions (see **Appendix B**), and the terms, conditions, and stipulated administrative requirements included in this RFP (**Section V.B**).

The transmittal letter must include the bidder information listed below:

- Name of company or individual
- Mailing address
- Street address
- Total bid amount
- Name and title of company contact for questions regarding the proposal
- Contact telephone number, address, fax number and (if available) email address

#### B. Project Approach

Bidders should describe the accounting methods they will utilize in managing the Energy Efficiency Charge and related funds. In addition, bidders should specifically describe all proposed equipment, including any data processing equipment, accounting software, and electronic backup capability they will use for this project.

#### C. Related Experience

Bidders must give a description of their involvement in projects that provide relevant experience directly related to the duties listed in **Section II** of this RFP. Included should be descriptions of their experience in the management of complex multimillion dollar budgets and the accounting practices used for such projects.

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7. The Board intends to post the electronic copies of bidders' proposals on its website to facilitate review of the proposals by members of the public. Therefore, the electronic copies should *not* include any confidential material. Instead they should include a statement at the place where the confidential material would be located that the confidential material is not included in the electronic copy.

#### **D. Staff Qualifications**

Bidders should provide a complete description of the staff to be involved in this project and include résumés and qualifications of proposed staff who will be directly responsible for the management of the Energy Efficiency Charge and related funds.

#### **E. References**

Bidders must provide three references for their business organization and all staff members proposed for this project. Bidders should include name, title and contact information, including telephone numbers, for all references provided.

#### **F. Business Organization**

Bidders should provide a brief description of their business organization.

#### **G. Cost Proposal**

Bidders should provide not-to-exceed ("NTE") cost proposals for a three-year contract, broken down by calendar year. Cost proposals should be based on an hourly rate for services to be performed under the contract, using the estimated average of 8 hours per month.<sup>8</sup> If the FA work requirements do not utilize the full 8 hours per month, only actual hours may be billed to the State of Vermont. If the bidder is required to work more than 8 hours per month, it will not be eligible for overtime compensation of any type, and may bill only for the additional hours at its standard quoted hourly rate. Bidders should detail costs for any and all materials not included in this hourly rate.

Bidders' proposals should clearly separate start-up costs (such as software purchases and system development costs) from ongoing operational costs.

Bidders' proposals should also include costs (time and travel) associated with one meeting in Montpelier, Vermont during the contract term.

Bidders' proposals should not include an estimate of the amounts to be paid to independent auditors (see **Section II.F**). The cost of the independent audit is separate from the cost of the services to be provided by the FA.

Bidders should be aware that \$200,000 has been set aside in each calendar year for the CA and the FA combined. The CA is expected to work an estimated average of 24 hours per week, in comparison to the FA's expected long-term average of 8 hours per month.

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<sup>8</sup> The Board anticipates the number of hours the FA will work per month may be significantly greater than 8 during its start-up.

## **IV. PROPOSAL EVALUATION**

### **A. Evaluation Process**

Proposals will be reviewed by the Public Service Board and the Board staff. Proposals will be evaluated on the following components using a percentage weighted system. Rough approximations of the percentage weight to be given to each component are listed below. Bidders should be aware that they must provide comprehensive responses in all sections of their proposals.

- Staff Qualifications and References (in combination) - 25%
- Project Approach - 15%
- Related Experience - 20%
- Cost Proposal - 40%

### **B. Finalists**

Generally the bidder with the highest scoring proposal is most likely to be awarded the contract; however, the Board reserves the right to reject any and all proposals, and the final decision to contract with any bidder is at the sole discretion of the Board. Upon the notification of selection as a finalist in the bid for this contract, bidders may be requested to negotiate certain aspects of their proposals. In addition, bidders should be prepared to give an oral presentation/interview upon the request of the Public Service Board.

## **V. STIPULATED ADMINISTRATIVE REQUIREMENTS**

### **A. Bidder Instructions**

#### **1. Conformity to Instructions**

Bidders must conform with all RFP instructions and conditions when responding to this RFP. The State of Vermont, at its discretion, may reject any nonconforming bidder proposal or response.

#### **2. Proposal Responses to this RFP**

Bidders desiring to participate in this RFP must submit proposal responses with the format and content as outlined.

#### **3. Bidders Not Submitting Proposals**

As a courtesy, bidders provided a copy of this RFP and deciding not to offer a proposal to the State are asked to submit a negative reply to verify their receipt and consideration of this RFP.

#### **4. Identifying RFP Communications**

All proposals and other communications with the Board regarding this RFP must be submitted in writing in sealed envelopes clearly identifying the RFP title, the contact name and address of the bidder, and an indication of the envelope contents (e.g., "BID," "NEGATIVE RESPONSE," or "QUESTIONS"). Any material received that does not indicate the RFP-related content may be opened as general mail and possibly delayed.

**Proposals and related correspondence must be delivered to:**

**Cynthia Muir, Business Manager  
Vermont Public Service Board  
112 State Street, Drawer 20  
Montpelier, VT 05620-2701**

#### **5. Bidder Questions and State Replies**

The Vermont Public Service Board will reply to any *written* bidder questions received no later than the close of business on Friday, October 14, 2005. Communications should be clearly identified in accordance with **Section V.A.4** above.

**Bidder Questions should be addressed to the attention of:**

**Cynthia Muir, Business Manager  
Vermont Public Service Board  
112 State Street, Second Floor  
Montpelier, VT 05620-2701**

A copy of all pertinent questions and their replies will be distributed to any bidder who has submitted a written request to the above address and will be made available on the Board's web site.

#### **6. Acceptance of Stipulated Administrative Requirements**

Proposals must include unequivocal statements accepting the stipulated administrative requirements of this RFP (**Section V.B**), and must reflect compliance with such requirements. Any failure to do so, in the Board's sole judgment, may result in the Board's rejection of the proposal or portion thereof.

#### **7. Deviating From RFP Specifications**

The State of Vermont may reject any bidder's proposal, or portion thereof reflecting, in the Board's sole judgment, significant deviation from the specifications of this RFP. Bidders submitting proposals with any minor deviations must identify and fully justify such deviations for Board consideration.

#### **8. Exclusion of Taxes From Prices**

The State of Vermont is exempt from the payment of excise and sales taxes imposed by the Federal Government and/or the State. Bidders remain liable, however, for personal property taxes levied by municipalities upon any and all property leased to the State.

#### **9. Proposal Copies**

Any bidder responding to this RFP is required to submit one (1) original and six (6) paper copies of the proposal. Pages should be numbered for ease of reference, be cross-referenced to the corresponding RFP section, and be typed on 8 ½ x 11-inch paper. All copies of the proposal, other than the original, should be submitted copied on both sides of the paper as required by the State of Vermont. In addition, bidders must submit one electronic copy of the proposal,<sup>9</sup> suitable for posting on the Board's website (in other words, confidential material should *not* be included in the electronic version). **Telefax submissions will not be accepted. Electronic submissions alone (without the required number of accompanying paper copies) will not be accepted.**

#### **10. Bidder Contacts**

The proposal should provide the name, title, address, telephone number, FAX number and email (if available) of the bidder contact person(s) responsible for clarifying proposal content and for approving any agreement (or agreement amendment) with the State of Vermont.

#### **11. Bidder References**

Bidders must provide at least three customer references which reflect similar project experience. References should include current contact name, telephone number and location.

#### **12. Validation of Proposal Offerings**

The State considers proposals as binding commitments which the State may include by reference into any agreement with a bidder. Therefore, each bidder's proposal must be validated by the signature of a person having such authority to commit the company, and the signer's authority in this regard must be authenticated by a signed statement to that effect by an appropriate high level company official. (Refer to **Section III.A**)

#### **13. Proposal Completeness**

To be acceptable, proposals must contain all required information and statements in the format requested by this RFP. Bidder proposals must submit "no" or "not applicable" responses to any RFP question or information request, when such a response is appropriate.

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9. The electronic copy may consist of multiple electronic files.



## **B. RFP Conditions**

### **1. Amendment or Cancellation of RFP**

The Board reserves the right to amend or cancel this RFP at any time if, in the Board's sole judgment, the best interest of the State requires such action.

### **2. Proposal Modifications**

No additions or changes to any bidder's proposal will be allowed after the proposal due date unless such modification is specifically requested by the Board.

### **3. RFP Events and Timing**

The timing and sequence of events resulting from this RFP will be determined by the Board. The schedule is planned as follows; bidder contacts will be notified of any amendment to this schedule during the RFP process.

<b>September 30, 2005</b>	<b>RFP Released</b>
<b>October 14, 2005</b>	<b>Last Date for Receipt of Written Questions</b>
<b>October 24, 2005</b>	<b>Proposals Due</b>
<b>October 25, 2005</b>	<b>Public Bid Opening</b>
<b>November 1, 2005</b>	<b>Public Comments Due</b>
<b>November 18, 2005</b>	<b>Target Date for Board Selection of FA Contractor</b>

### **4. Proposal Expenses**

The State of Vermont assumes no liability for payment of any expenses incurred by any bidder in responding to this RFP.

### **5. Acceptance or Rejection of Proposals**

The State reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part, and to waive technical defects, irregularities or omissions, if, in its sole judgment, the best interest of the State will be served.

### **6. Ownership of Proposals**

All proposals submitted in response to this RFP will become the sole property of the State of Vermont.

### **7. Oral Agreements and Arrangements**

Any alleged oral agreement or arrangement made by a bidder with any State agency or employee will be disregarded in any State proposal evaluation or associated award.

### **8. Bidder Presentation of Supporting Evidence/Surety**

Bidders must be prepared to provide any evidence of experience, performance ability, and/or financial surety that the State deems necessary to fully establish the performance capabilities represented in their proposals.

### **9. Bidder Demonstration of Proposed Services**

Bidders may be asked to demonstrate specific proposed services or products including program components, software and hardware included in their responses. Any requested demonstration will be provided at a site approved by the State of Vermont and without cost to the State.

#### **10. Bidder Misrepresentation or Default**

The State reserves the right to reject the proposal of any bidder and void any award resulting from this RFP to a bidder who materially misrepresents any product or defaults on any State contract.

#### **11. State Fiscal and Performance Requirements**

Any product acquisition resulting from this RFP must be contingent upon contractual provision for cancellation of such acquisition, without penalty, if the applicable funds are not available for required payment or if the product fails to meet the minimum State criteria for acceptance.

#### **12. Conformance of Awards with State Statutes**

Any award resulting from this RFP must be in full conformance with State of Vermont statutory requirements.

#### **13. Erroneous Awards**

The State of Vermont reserves the right to correct inaccurate awards resulting from its clerical errors.

#### **14. Public Records**

Bidders should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting therefrom, including those from the Board, the office of the Attorney General of the State of Vermont, and the office of the Vermont Secretary of State, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

The Board does not favor the filing of proprietary information in this context. In particular, the Board does not anticipate that price or rate information will be deemed proprietary. If a bidder believes it necessary to include allegedly confidential material in a bid, **all such materials must be submitted in a separate sealed envelope and marked "CONFIDENTIAL."**

It will not be sufficient for bidders to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a bidder believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of its proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 317 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the bidder that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Bidders must understand and agree that final discretion to release or exempt any or all material so identified rests with the Board.

All bids submitted in response to this RFP will be open for public review, except as specifically noted immediately above. Any interested person or party may review those bids at the Board's office between the hours of 2:00 PM and 4:00 PM on Tuesday, October 25, 2005, and between the hours of 9:00 AM and 4:00 PM, beginning Wednesday, October 26, 2005. In addition, the Board will post the bids on the Board's website at [www.state.vt.us/psb](http://www.state.vt.us/psb). Any interested person or party may, if so inclined, provide comments to the Board. Comments must be received no later than Tuesday, November 1, 2005, and must be no more than three pages in length.

### **15. Offer of Gratuities**

The Bidder warrants, represents and certifies that no elected or appointed official or employee of the State of Vermont has or will benefit financially or materially from this procurement. Any contract and/or award arising from this RFP may be terminated by the State if it is determined that gratuities of any kind were either offered to, or received by, any of the aforementioned officials or employees from the bidder, the bidder's agent or the bidder's employees.

### **16. Business Registration**

Bidders must acquire a valid business registration from the Vermont Secretary of State's Office upon notification of a contract award.

### **17. Vermont Tax ID Number**

A Vermont business account tax number is required for contractors if the contractor is a corporation or if the contractor, under whatever form of business, has employees who are subject to federal income tax withholding and who perform their services within the State of Vermont. Contracts cannot be executed without a Vermont Tax ID Number.

### **18. Joint Ventures**

Proposals that request joint ventures between bidders will not be accepted. The State will only enter a contract or award with a prime contractor who will be required to assume full responsibility for the delivery of contracted services outlined in this RFP.

### **19. Readiness of Offered Products**

All products and services offered in bidder responses to this RFP, including computer software, hardware and program products must be currently manufactured and available for general sale, lease or license on the date the proposal is submitted.

### **20. Inspection of Work Performed**

During and after the commencement of this project, the State of Vermont, and its authorized representatives, shall be allowed access to inspect all contractor materials, documents, work papers, equipment and products, deliverables, or any such other items which pertain to the scope of work for this RFP and contract. This requirement also applies to any subcontractors who may be engaged by the bidder.

### **21. Collusion**

By responding, the bidders implicitly state that the proposal is not made in conjunction with any competing bidder submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

## **VI. APPENDICES**

**Note: All Appendices referred to herein are NOT included with the RFP mailing. Rather they have been made available on the Board's web site at <http://www.state.vt.us/psb>. Anyone who does not have access to the web and requires copies of these documents should contact the PSB Clerk's office at 802/828-2358.**

Appendix A:

Docket 5980 Memorandum of Understanding

Appendix B:

State of Vermont, Contract for Services, Customary State Contract Provisions

Appendix C:

Public Service Board Rule 5.300 – Energy Efficiency Charge Methodology

Appendix D:

Sample Monthly Report